

Assembly Bill No. 194

CHAPTER 489

An act to amend and supplement the Budget Act of 2007 (Chapters 171 and 172 of the Statutes of 2007) by amending Items 3790-001-0001, 3790-497, 4260-111-0001, 4260-111-0236, 6110-101-0349, 7100-001-0514, and 7100-001-0870 of Section 2.00 of that act, relating to the state budget, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor October 11, 2007. Filed with
Secretary of State October 11, 2007.]

LEGISLATIVE COUNSEL'S DIGEST

AB 194, Committee on Budget. Budget Act of 2007.

The Budget Act of 2007 made appropriations for the support of state government for the 2007–08 fiscal year.

This bill would amend and supplement the Budget Act of 2007 by revising items of appropriation for the State Department of Health Care Services, the Employment Development Department, the Department of Parks and Recreation, the State Department of Education, and the Board of Governors of the California Community Colleges.

This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Item 3790-001-0001 of Section 2.00 of the Budget Act of 2007 is amended to read:

3790-001-0001—For support of Department of Parks and Recreation.....	145,359,000
Schedule:	
(1) For support of the Department of Parks and Recreation.....	383,495,000
(2) Reimbursements.....	–32,199,000
(3) Less funding provided by capital outlay.....	–4,000,000
(4) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3790-001-0005).....	–6,639,000

- (5) Amount payable from the California Environmental License Plate Fund (Item 3790-001-0140)..... -3,264,000
- (6) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3790-001-0235)..... -11,258,000
- (7) Amount payable from the Off-Highway Vehicle Trust Fund (Item 3790-001-0263)..... -42,336,000
- (8) Amount payable from the State Parks and Recreation Fund (Item 3790-001-0392)..... -121,173,000
- (9) Amount payable from the Winter Recreation Fund (Item 3790-001-0449)..... -390,000
- (10) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3790-001-0516)..... -814,000
- (11) Amount payable from the Federal Trust Fund (Item 3790-001-0890)..... -6,341,000
- (12) Amount payable from the California Main Street Program Fund (Item 3790-001-3077)..... -175,000
- (13) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3790-001-6029)..... -4,433,000
- (14) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3790-001-6031)..... -491,000
- (15) Amount payable from Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Item 3790-001-6051)..... -4,623,000

Provisions:

- 1. Of the funds appropriated by this act from the General Fund and special funds, other than the Off-Highway Vehicle Trust Fund and bond funds, to the Department of Parks and Recreation for local assistance grants to local agencies, the department may allocate an amount not to exceed 3.7 percent of each project's allocation, except to the extent otherwise restricted by law, to allow the department to administer its grants. Those

funds shall be available for encumbrance or expenditure until June 30, 2013.

2. It is the intent of the Legislature that salaries, wages, operating expenses, and positions associated with implementing specific Department of Parks and Recreation capital outlay projects continue to be funded through capital outlay appropriations, and that these funds should also be reflected in the department's state operations budget in the Governor's Budget as a special item of expense reflecting the funding provided from the capital outlay appropriations.
3. Notwithstanding any other provision of law, the Director of Finance may authorize a loan from the General Fund, in an amount not to exceed 35 percent of reimbursements appropriated in this item to the Department of Parks and Recreation, provided that:
 - (a) The loan is to meet cash needs resulting from the delay in receipt of reimbursements for services provided.
 - (b) The loan is for a short term and shall be repaid by September 30, 2008.
 - (c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.
 - (d) The Director of Finance may not approve the loan unless the approval is made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations not later than 30 days prior to the effective date of the approval, or not sooner than whatever lesser time that the chairperson of the joint committee or his or her designee may determine.
4. The augmentation of \$1,711,000 in Schedule (7) is to be used to fund restoration activities within state parks in which off-highway vehicle activity is or has been permitted, including areas where off-highway vehicle recreation has been determined to not be appropriate.
5. Notwithstanding Section 4.11 or any other provision of law, up to 61 positions initially authorized in accordance with Schedule (15) shall not be abolished pursuant to Section 12439 of the Government Code prior to June 30, 2015.
6. Schedule (1) includes \$4,104,000 for remediation and treatment activities at Empire Mine State Historic Park. Notwithstanding any other provision of law, these

funds shall be available for expenditure upon the approval of the Director of Finance, after the submission by the Department of Parks and Recreation of detailed information on the activities to be funded and their cost.

7. The Department of Parks and Recreation shall have a celebration at the Allensworth State Park on the one hundredth anniversary of the founding of the town of Allensworth, and this celebration shall be done within the department's existing resources.
8. It is the intent of the Legislature that the Department of Parks and Recreation shall prioritize funds appropriated to the department from the Harbors and Watercraft Revolving Fund and the Motor Vehicle Fuel Account, Transportation Tax Fund, for boating-related activities that include, but are not limited to, major and minor capital outlay projects, boating trails, boating trail grants, boating trails access facilities, beach erosion grants, and state park boating facilities operations and maintenance costs.

SEC. 2. Item 3790-497 of Section 2.00 of the Budget Act of 2007 is amended to read:

3790-497—Reversion, Department of Parks and Recreation. As of June 30, 2007, the balances provided in the following citations shall revert to the fund from which the appropriations were made:

0001—General Fund

- (1) Item 3790-001-0001, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)

- (1) For support of the Department of Parks and Recreation..... 175,000,000

0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund

- (1) Item 3790-101-0005, Budget Act of 2001 (Ch. 106, Stats. 2001)

- (1) 80.25-Recreational Grants

- (a) Local agencies operating park units..... 835,000

- (2) Item 3790-001-0005, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)..... 107,000

6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund

- (1) Item 3790-001-6029, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), as reappropriated by Item 3790-490, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)..... 3,000,000

SEC. 3. Item 4260-111-0001 of Section 2.00 of the Budget Act of 2007 is amended to read:

- 4260-111-0001—For local assistance, Department of Health Care Services..... 162,616,000
- Schedule:
- (1) 20.10-Medical Care Services..... 5,119,000
 - (2) 20.25-Children’s Medical Services..... 266,860,000
 - (3) 20.35-Primary and Rural Health..... 41,289,000
 - (4) Reimbursements..... –14,825,000
 - (5) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-111-0080)..... –24,000
 - (6) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0236)..... –15,148,000
 - (7) Amount payable from the Federal Trust Fund (Item 4260-111-0890)..... –120,655,000
- Provisions:
1. Program 20.25-Children’s Medical Services: Counties may retain 50 percent of total enrollment and assessment fees that are collected by the counties for the California Children’s Services Program. Fifty percent of the enrollment and assessment fee for each county shall be offset from the state’s match for that county.
 2. Notwithstanding any other provision of law, the Department of Finance may authorize transfer of expenditure authority between this item and Items 4260-101-0001, 4260-102-0001, and 4260-113-0001 in order to effectively administer the programs funded in these items. The Department of Finance shall notify the Legislature within 10 days of authorizing such transfer unless prior notification of the transfer has been included in the Medi-Cal estimates submitted pursuant to Section 14100.5 of the Welfare and Institutions Code.

SEC. 4. Item 4260-111-0236 of Section 2.00 of the Budget Act of 2007 is amended to read:

4260-111-0236—For local assistance, Department of Health Care Services, for payment to Item 4260-111-0001, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund..... 15,148,000

SEC. 5. Item 6110-101-0349 of Section 2.00 of the Budget Act of 2007 is amended to read:

6110-101-0349—For local assistance, Department of Education, Program 20.90-Instructional Support, for allocation to the Fiscal Crisis and Management Assistance Team for the purpose of administering the California School Information Services (CSIS) Program, payable from the Educational Telecommunication Fund..... 3,235,000

Provisions:

1. Notwithstanding Section 10554 of the Education Code, the Controller shall transfer from the General Fund the actual amount certified by the Superintendent of Public Instruction as reductions made to apportionments in the 2006–07 fiscal year for repayments of prior year excess apportionments identified pursuant to audit or audit settlements identified as a result of audit investigations, or inquiries.
2. Of the funds appropriated in this item, \$828,000 is to be provided to non-CSIS participating school districts for support of maintenance of individual student identifiers.
3. Of the funds appropriated in this item, \$2,010,000 is to be provided to the Fiscal Crisis and Management Assistance Team on a one-time basis for the purpose of administering the CSIS Program. These funds shall be used to: (a) replace outdated server capacity, including a three-year service agreement, (b) purchase automated testing tools needed to address system stability and software testing, and (c) address technical assistance workload.

SEC. 6. Item 7100-001-0514 of Section 2.00 of the Budget Act of 2007 is amended to read:

7100-001-0514—For support of Employment Development Department, for payment to Item 7100-001-0870, payable from the Employment Training Fund..... 61,600,000

Provisions:

1. Upon order of the Director of Finance, funds disencumbered from Employment Training Fund training contracts during the 2007–08 fiscal year that have not re-

verted as of July 1, 2007, may be appropriated in augmentation of this item.

2. Notwithstanding subparagraph (B) of paragraph (2) of subdivision (a) of Section 10206 of the Unemployment Insurance Code, the Employment Training Panel's administrative costs may exceed 15 percent of the amount appropriated in this item.

SEC. 7. Item 7100-001-0870 of Section 2.00 of the Budget Act of 2007 is amended to read:

7100-001-0870—For support of Employment Development Department, payable from the Unemployment Administration Fund-Federal..... 523,595,000

Schedule:

- (1) 10-Employment and Employment Related Services..... 168,065,000
- (2) 21-Tax Collections and Benefit Payments..... 626,785,000
- (3) 22-California Unemployment Insurance Appeals Board..... 74,196,000
- (4) 30.01-General Administration..... 56,859,000
- (5) 30.02-Distributed General Administration..... -51,194,000
- (6) 50-Employment Training Panel..... 56,345,000
- (7) Reimbursements..... -22,916,000
- (8) Amount payable from the General Fund (Item 7100-001-0001)..... -25,176,000
- (9) Amount payable from the Employment Development Department Benefit Audit Fund (Item 7100-001-0184)..... -14,621,000
- (10) Amount payable from the Employment Development Contingent Fund (Item 7100-001-0185)..... -67,435,000
- (11) Amount payable from the Employment Training Fund (Item 7100-001-0514)..... -61,600,000
- (12) Amount payable from the Unemployment Compensation Disability Fund (Item 7100-001-0588)..... -214,768,000
- (13) Amount payable from the School Employees Fund (Item 7100-001-0908).... -945,000

Provisions:

1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated pursuant to Section 1555 of the Unemployment Insurance Code.

2. Provision 1 of Item 7100-001-0588 also applies to funds appropriated in this item for the Unemployment Insurance Program.
3. No later than September 13, 2007, the Secretary of Labor and Workforce Development shall report to the Director of Finance and the Joint Legislative Budget Committee on the progress of the Underground Economy Enforcement Program and shall provide justification for its continuance.

SEC. 8. (a) The sum of five million dollars (\$5,000,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction in augmentation of the amount appropriated in Schedule (1) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2007 (Chapter 171 of the Statutes of 2007). The funds appropriated in this section are available for the provision of wraparound care to children enrolled in state preschool programs. The Superintendent of Public Instruction shall assign priority for funds appropriated in this section for the provision of wraparound care to children enrolled in prekindergarten and family literacy programs authorized by Section 8238.4 of the Education Code.

(b) For purposes of this act, “wraparound care” means child care services provided to children enrolled in state preschool programs for the portion of each day not otherwise covered by services provided as part of those programs.

SEC. 9. (a) The sum of thirty-three million one hundred thousand dollars (\$33,100,000) is hereby appropriated from the General Fund to the Board of Governors of the California Community Colleges, in augmentation of Schedule (2) (10.10.020 Basic Skills and Apprenticeship) of Item 6870-101-0001 of the Budget Act of 2007 (Chapters 171 and 172 of the Statutes of 2007).

(b) These funds shall be available for the following purposes:

(1) The sum of one million six hundred thousand dollars (\$1,600,000) for faculty and staff development to improve curriculum, instruction, student services, and program practices in the areas of basic skills and English as a Second Language (ESL) programs. The Office of the Chancellor shall select a district, utilizing a competitive process, to carry out these faculty and staff development activities. All colleges receiving funds pursuant to paragraph (2) shall be provided with the opportunity to participate in the faculty and staff development programs specified in this paragraph. The Chancellor shall report on the use of these funds by the selected district to the Legislative Analyst and the Department of Finance not later than September 1, 2008.

(2) The sum of thirty-one million five hundred thousand dollars (\$31,500,000) for allocation by the Chancellor to community college districts for improving outcomes of students who enter college needing at least one course in ESL or basic skills, with particular emphasis on students transitioning from high school.

(A) Funds allocated pursuant to this paragraph shall be expended for program and curriculum planning and development, student assessment, advisement and counseling services, supplemental instruction and tutoring, articulation, instructional materials and equipment, and any other purpose directly related to the enhancement of basic skills, ESL instruction, and related student programs. The allocated funds shall supplement, and not supplant, current expenditures by districts for matriculation and assessment services, basic skills, ESL instruction, and related student programs.

(B) To be eligible to receive funds pursuant to this paragraph, a district must submit to the Office of the Chancellor an application containing a certification that the college will, within the fiscal year, (i) complete an assessment of its programs and activities serving basic skills and ESL students utilizing the assessment tool developed pursuant to paragraph (1) of Item 6870-493 of Section 2.00 of the Budget Act of 2006 (Chapters 47 and 48 of the Statutes of 2006), and (ii) submit to the Office of the Chancellor an action and expenditure plan for funds received under this paragraph.

(C) The Office of the Chancellor shall work jointly with the Department of Finance and the Legislative Analyst to develop annual accountability measures for this program. It is the intent of the Legislature that annual performance accountability measures for this program utilize, to the extent possible, data available as part of the accountability system developed pursuant to Section 84754.5 of the Education Code. By November 1, 2008, the Chancellor shall submit a report to the Governor and Legislature on the annual accountability measures developed pursuant to this process.

(D) The Chancellor shall distribute funds to districts on the basis of the following two factors, with equal weight given to each: (i) the number of full-time equivalent students generated in basic skills and ESL courses in the preceding fiscal year; and (ii) the number of full-time equivalent students generated in basic skills and ESL courses by students transitioning from high schools in the preceding fiscal year. For purposes of distributing these funds, the Chancellor may establish a minimum allocation of one hundred thousand dollars (\$100,000) per college.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that state programs are properly funded for the 2007–08 fiscal year, it is necessary that this act take effect immediately.